

JADASON ENTERPRISES LTD (REG. NO. 199003898K)**Financial Statement And Dividend Announcement for the Third Quarter and Nine Months Period Ended 30 September 2014****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS****1(a) An income statement and statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Unaudited Income Statement of the Group for the quarter ended 30 September 2014 ("3Q 2014") and the nine months period ended 30 September 2014 ("YTD 2014"):

	S\$'000		%	S\$'000		%
	3Q 2014	3Q 2013	Increase/ (Decrease)	YTD 2014	YTD 2013	Increase/ (Decrease)
Revenue	24,799	22,426	11	64,070	61,303	5
Cost of sales	<u>(22,314)</u>	<u>(19,279)</u>	16	<u>(54,176)</u>	<u>(54,095)</u>	0
Gross profit	2,485	3,147	(21)	9,894	7,208	37
Other income (Note 1)	299	779	(62)	896	1,625	(45)
Selling and distribution expenses	(489)	(545)	(10)	(1,490)	(1,403)	6
Administrative expenses	<u>(3,406)</u>	<u>(3,034)</u>	12	<u>(10,155)</u>	<u>(9,638)</u>	5
(Loss)/profit from operations	(1,111)	347	NM	(855)	(2,208)	(61)
Finance cost	(176)	(210)	(16)	(546)	(635)	(14)
Share of loss of associate	<u>(76)</u>	<u>(63)</u>	21	<u>(149)</u>	<u>(203)</u>	(27)
(Loss)/profit before income tax	(1,363)	74	NM	(1,550)	(3,046)	(49)
Income tax (Note 2)	<u>90</u>	<u>(151)</u>	NM	<u>(583)</u>	<u>(417)</u>	40
Loss after income tax	<u>(1,273)</u>	<u>(77)</u>	1,553	<u>(2,133)</u>	<u>(3,463)</u>	(38)
Attributable to: Equity holders of the Company	<u>(1,273)</u>	<u>(77)</u>	1,553	<u>(2,133)</u>	<u>(3,463)</u>	(38)

Loss for the period is arrived at after crediting/(charging) the following:

	S\$'000		%	S\$'000		%
	3Q 2014	3Q 2013	Increase/ (Decrease)	YTD 2014	YTD 2013	Increase/ (Decrease)
Foreign exchange (loss) / gain (Note 1)	(139)	157	NM	(520)	(162)	221
Depreciation of property, plant and equipment	(2,010)	(2,148)	(6)	(5,894)	(6,470)	(9)
Profit on sale of plant and equipment	3	24	(88)	4	18	(78)
Write-off of plant and equipment	(10)	-	NM	(41)	-	NM

Notes to Income Statement:

Note 1

The decrease in other income in 3Q 2014 was due mainly to a lower interest income and a foreign exchange loss of S\$139,000, compared with a foreign exchange gain of S\$157,000 for the same period last year. For the nine-months period ended 30 September 2014, other income decreased due mainly to lower sales of scrap materials and a higher foreign exchange loss incurred.

Note 2

An income tax credit arose in 3Q 2014 as a profitable subsidiary received approval from the taxation authorities during the quarter that it would be subject to taxation at a lower tax rate than previously provided for. The effective tax rate in 3Q 2013 was high as certain subsidiaries within the Group were profitable, and that losses incurred by certain entities could not be offset against the profits of other subsidiaries for income tax purposes. For the same reason, income tax charges arose in the nine-months periods ended 30 September 2014 and 30 September 2013 in spite of the loss before income tax.

NM – Percentage changes are not meaningful.

Please refer to Section 8 of this report for a more detailed discussion on the performance of the Group's operating segments.

Unaudited statement of comprehensive income of the Group for the quarter and nine months period ended 30 September 2014:

	3Q 2014	3Q 2013	Increase/(Decrease)	YTD 2014	YTD 2013	Increase/(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss after income tax for the period	(1,273)	(77)	1,553	(2,133)	(3,463)	(38)
Other comprehensive income:						
Exchange differences on translating foreign operations	<u>3,158</u>	<u>(291)</u>	NM	<u>(600)</u>	<u>4,648</u>	NM
	3,158	(291)		(600)	4,648	
Total comprehensive income for the period	<u>1,885</u>	<u>(368)</u>	NM	<u>(2,733)</u>	<u>1,185</u>	NM
Total comprehensive income attributable to:						
Equity holders of the Company	1,885	(368)	NM	(2,733)	1,185	NM

1(b)(i) A statement of financial positions (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Financial positions as at 30 September 2014 and 31 December 2013:

	Group		Company	
	30.9.2014	31.12.2013	30.9.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	9,919	15,635	1,588	4,349
Bank deposits	30,529	30,494	-	-
Inventories	11,640	12,627	1,439	1,534
Trade receivables (Note 1)	30,122	43,358	5,472	8,217
Bills receivables (Note 2)	16,247	8,062	-	-
Other receivables and prepayments (Note 1)	3,415	3,607	474	120
Amounts due from Subsidiaries	-	-	2,911	5,182
Total	101,872	113,783	11,884	19,402
Non-current assets:				
Property, plant and equipment (Note 3)	36,646	40,310	288	359
Subsidiaries	-	-	63,873	63,873
Other receivables (Note 1)	-	1,307	-	-
Total	36,646	41,617	64,161	64,232
TOTAL ASSETS	138,518	155,400	76,045	83,634

	Group		Company	
	30.9.2014	31.12.2013	30.9.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
LIABILITIES & EQUITY				
Current liabilities:				
Bank loans (Note 4)	25,221	26,243	6,689	9,727
Trust receipts	2,138	1,688	2,137	1,688
Trade payables (Note 5)	21,007	28,790	5,830	7,662
Other payables (Note 5)	2,231	4,478	309	569
Income tax payable	638	415	-	-
Finance leases	13	92	13	12
Amounts due to subsidiaries	-	-	2,357	384
Total	51,248	61,706	17,335	20,042
Non-current liabilities:				
Finance leases	38	49	37	47
Bank loans (Note 4)	-	3,639	-	3,639
Deferred income tax	610	610	16	16
Provision for long service payment	550	591	-	-
Total	1,198	4,889	53	3,702
Capital & reserves:				
Share capital	50,197	50,197	50,197	50,197
Share option reserve	1,280	1,280	1,280	1,280
Treasury shares	(307)	(307)	(307)	(307)
Translation reserve	(2,425)	(1,825)	(80)	(77)
Reserve and Enterprise Expansion Funds (Note 6)	6,005	6,005	-	-
Accumulated profits	31,322	33,455	7,567	8,797
Total	86,072	88,805	58,657	59,890
TOTAL LIABILITIES AND EQUITY	138,518	155,400	76,045	83,634

Notes:

Note 1

The decreases in trade and other receivables of the Group were due mainly to payments received during the period under review.

Note 2

The higher bills receivables was due mainly to lesser need for the discounting of bills to obtain funds for operations, as the Group's liquidity position is healthy. Additionally, as the interest rate in China is high, the Group is able to save on interest cost by discounting lesser bills.

Note 3

The decrease in property, plant and equipment was due mainly to depreciation charge and the effect of translating the financial statements of foreign subsidiaries into Singapore dollars, offset partially by the acquisition of equipment for use in the Group's manufacturing and support services business.

Note 4

During the period under review, the Group repaid bank loans totaling S\$10.8 million and obtained new loans of S\$6.1 million.

Note 5

The decreases in trade and other payables were due mainly to payments made by the Group during the period under review.

Note 6

Reserve and Enterprise Expansion Funds pertain to subsidiaries in China, and are appropriations of profits made in accordance with applicable laws and regulations.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Sep 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
\$13,000	\$27,359,000	\$92,000	\$27,931,000

Amount repayable after one year

As at 30 Sep 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
\$38,000	-	\$49,000	\$3,639,000

Details of any collateral

Plant and equipment of the Group with net book values of \$409,000 (31 December 2013: \$459,000) are acquired under finance leases.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3Q 2014	3Q 2013	YTD 2014	YTD 2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
(Loss)/profit before income tax	(1,363)	74	(1,550)	(3,046)
Adjustments for:				
Depreciation of property, plant and equipment	2,010	2,148	5,894	6,470
Interest expense	176	210	546	635
Interest income	(130)	(410)	(749)	(817)
Profit on disposal of plant and equipment	(3)	(24)	(4)	(18)
Write-off of plant and equipment	10	-	41	-
Share of loss of associate	76	63	149	203
Operating profit before working capital changes	776	2,061	4,327	3,427
Trade receivables	(2,485)	692	13,236	2,546
Bill receivables	(402)	(1,796)	(8,185)	1,115
Other receivables	(480)	134	1,350	513
Inventories	44	(129)	987	(853)
Balances with associate	-	(113)	-	(265)
Trade payables	8,258	1,600	(7,783)	(1,389)
Trust receipts	24	520	450	(2,246)
Other payables	(992)	(787)	(2,247)	(1,310)
Cash generated from operations	4,743	2,182	2,135	1,538
Interest paid	(176)	(210)	(546)	(635)
Interest received	130	410	749	817
Income tax refund / (paid)	78	(14)	(360)	(59)
Net cash from operating activities	4,775	2,368	1,978	1,661
Cash flows used in investing activities:				
Purchase of plant and equipment	(327)	(34)	(2,725)	(862)
Proceeds from disposal of plant and equipment	38	47	47	70
Net cash (used in) / from investing activities	(289)	13	(2,678)	(792)
Cash flows from financing activities:				
Dividends paid to shareholders	-	-	-	(3,612)
Proceeds from loans	2,499	-	6,124	8,157
Repayment of loans	(3,267)	(2,449)	(10,785)	(7,115)
Repayment of finance leases	(22)	(33)	(90)	(87)
Net cash used in financing activities	(790)	(2,482)	(4,751)	(2,657)
Net increase / (decrease) in cash and cash equivalents	3,696	(101)	(5,451)	(1,788)
Cash and cash equivalents at beginning of period	34,861	48,898	46,129	47,925
Effects of exchange rate changes	1,891	(188)	(230)	2,472
Cash and cash equivalents at end of period	40,448	48,609	40,448	48,609

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity, or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital	Treasury Shares	Share Option Reserve	Translation Reserve	Surplus Reserve #	Accumulated Profits	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP							
2014							
Balance at 1 January 2014	50,197	(307)	1,280	(1,825)	6,005	33,455	88,805
Loss for the period	-	-	-	-	-	(984)	(984)
Currency translation loss	-	-	-	(2,791)	-	-	(2,791)
Balance at 31 March 2014	50,197	(307)	1,280	(4,616)	6,005	32,471	85,030
Profit for the period	-	-	-	-	-	124	124
Currency translation loss	-	-	-	(967)	-	-	(967)
Balance at 30 June 2014	50,197	(307)	1,280	(5,583)	6,005	32,595	84,187
Loss for the period	-	-	-	-	-	(1,273)	(1,273)
Currency translation gain	-	-	-	3,158	-	-	3,158
Balance at 30 September 2014	50,197	(307)	1,280	(2,425)	6,005	31,322	86,072
2013							
Balance at 1 January 2013	50,197	(307)	1,280	(8,210)	5,818	43,115	91,893
Loss for the period	-	-	-	-	-	(1,717)	(1,717)
Transfer to Surplus Reserve	-	-	-	-	114	(114)	-
Currency translation gain	-	-	-	2,027	-	-	2,027
Balance at 31 March 2013	50,197	(307)	1,280	(6,183)	5,932	41,284	92,203
Loss for the period	-	-	-	-	-	(1,669)	(1,669)
Dividends paid	-	-	-	-	-	(3,612)	(3,612)
Currency translation gain	-	-	-	2,912	-	-	2,912
Balance at 30 June 2013	50,197	(307)	1,280	(3,271)	5,932	36,003	89,834
Loss for the period	-	-	-	-	-	(77)	(77)
Currency translation loss	-	-	-	(291)	-	-	(291)
Balance at 30 September 2013	50,197	(307)	1,280	(3,562)	5,932	35,926	89,466
COMPANY							
2014							
Balance at 1 January 2014	50,197	(307)	1,280	(77)	-	8,797	59,890
Loss for the period	-	-	-	-	-	(362)	(362)
Currency translation loss	-	-	-	(4)	-	-	(4)
Balance at 31 March 2014	50,197	(307)	1,280	(81)	-	8,435	59,524
Loss for the period	-	-	-	-	-	(480)	(480)
Currency translation gain	-	-	-	1	-	-	1
Balance at 30 June 2014	50,197	(307)	1,280	(80)	-	7,955	59,045

Loss for the period	-	-	-	-	-	(388)	(388)
Balance at 30 September 2014	50,197	(307)	1,280	(80)	-	7,567	58,657
2013							
Balance at 1 January 2013	50,197	(307)	1,280	(79)	-	14,239	65,330
Loss for the period	-	-	-	-	-	(504)	(504)
Currency translation loss	-	-	-	(3)	-	-	(3)
Balance at 31 March 2013	50,197	(307)	1,280	(82)	-	13,735	64,823
Loss for the period	-	-	-	-	-	(476)	(476)
Dividends paid	-	-	-	-	-	(3,612)	(3,612)
Currency translation gain	-	-	-	3	-	-	3
Balance at 30 June 2013	50,197	(307)	1,280	(79)	-	9,647	60,738
Loss for the period	-	-	-	-	-	(288)	(288)
Currency translation gain	-	-	-	2	-	-	2
Balance at 30 September 2013	50,197	(307)	1,280	(77)	-	9,359	60,452

Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (Note 6 of Section 1(b)(i)).

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the share capital of the company during the quarter ended 30 September 2014.

As at 30 September 2014, there were unexercised options for 17,000,000 (30 September 2013: 17,200,000) unissued ordinary shares under the Jadason Share Option Scheme 2000. During the quarter ended 31 December 2013, 200,000 options were cancelled.

As at 30 September 2014, there were 3,670,000 (30 September 2013: 3,670,000) shares held in treasury. (See also Section 1(d)(iv) below.)

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (excluding treasury shares) as at 30 September 2014 was 722,395,000 (31 December 2013: 722,395,000).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

At 1 January 2014 and 30 September 2014	<u>(3,670,000)</u>
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2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2013 except as described in Section 5 below.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for financial years beginning on and after 1 January 2014, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the retained earnings of the Group as at 1 January 2014.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group Figures			
	3Q 2014	3Q 2013	YTD 2014	YTD 2013
Loss per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares in issue	(0.18) cents	(0.01) cents	(0.30) cents	(0.48) cents
(ii) On a fully diluted basis	(0.18) cents	(0.01) cents	(0.30) cents	(0.48) cents

The calculation of earnings per share for the nine months period ended 30 September 2014 is based on:

- (1) Group's loss after taxation attributable to equity holders of \$2,133,000 (2013: loss after taxation of \$3,463,000);
- (2) Weighted average number of ordinary shares of 722,395,000 (2013: 722,395,000) applicable to basic earnings per share;
- (3) Weighted average number of ordinary shares of 722,395,000 (2013: 722,395,000) applicable to diluted earnings per share.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.9.2014	31.12.2013	30.9.2014	31.12.2013
Net asset value per ordinary share	11.91 cents	12.29 cents	8.12 cents	8.29 cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

	Revenue		Profit/(loss) from Operations	
	3Q 2014	3Q 2013	3Q 2014	3Q 2013
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	14,142	11,564	(499)	(208)
Manufacturing and Support Services	10,657	10,862	(612)	555
Total	24,799	22,426	(1,111)	347

	Revenue		Profit/(loss) from Operations	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Business Segments:	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and Supplies	28,796	32,263	(1,270)	(1,029)
Manufacturing and Support Services	35,274	29,040	415	(1,179)
Total	64,070	61,303	(855)	(2,208)

Revenue for 3Q 2014 was S\$24.8 million, an increase of 11% compared with 3Q 2013 revenue of S\$22.4 million. However, the Group posted a loss from operations of S\$1.1 million for 3Q 2014, compared with a profit of S\$0.3 million for 3Q 2013 due mainly to the weaker performance of its Manufacturing and Support Services business.

Revenue for the Equipment and Supplies business for 3Q 2014 increased by S\$2.6 million, or 22%, compared with 3Q 2013 due mainly to the increase in sales of equipment to printed circuit board ("PCB") manufacturers. In spite of the increase in revenue during the quarter under review, the business segment posted a higher operating loss of S\$0.5 million (3Q 2013: S\$0.2 million) due mainly to foreign exchange loss incurred, compared with a foreign exchange gain for the same period last year (see also Note 1 of Section 1(a)).

Revenue of the Manufacturing and Support Services business for 3Q 2014 decreased by 2% to S\$10.7 million compared with 3Q 2013. As noted in the previous announcement, the demand for our manufacturing services weakened in June 2014, and remained weak during the quarter under review. The business segment reported an operating loss of S\$0.6 million for 3Q 2014, compared with a profit of S\$0.6 million for 3Q 2013, due mainly to an unfavourable change in sales mix.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The results are in accordance with our announcement dated 14 August 2014.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group notes that its customers, who are PCB manufacturers, remain cautious amidst the uncertain global economy and the slow growth in China, and expects a challenging operating environment for both its Equipment and Supplies and Manufacturing and Support Services business segments. The Group continued to experience weakness in demand for its manufacturing and support services in October 2014.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. **If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared/recommendeded for the quarter ended 30 September 2014.

13. **If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPTs.

14. **Negative confirmation by the board pursuant to Rule 705(5)**

We, Fung Chi Wai and Linna Hui Min, being two directors of Jadason Enterprises Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial results for the quarter ended 30 September 2014 to be false or misleading.

On behalf of the board of directors

FUNG CHI WAI
Chief Executive Officer

LINNA HUI MIN
Director

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

- 16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 17. A breakdown of sales.**

Not applicable.

- 18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

BY ORDER OF THE BOARD

Fung Chi Wai
Chief Executive Officer
7 November 2014